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Insurance regulators get injunction against company marketing health plan in Kentucky

FRANKFORT, KY. - The Franklin County Circuit Court issued an injunction today against a company that has begun marketing an unlicensed form of health insurance in Louisville and Western Kentucky.

The Kentucky Department of Insurance won the restraining order today against TRG Administration LLC and TRG Marketing LLC. Both are limited liability companies in Carson City, Nev., with their principal place of business located at 37 South Park Blvd, Greenwood, Ind. Also named in the injunction are: Carmello Zanfei, Calumet City, Ill., Paul Crouse, Batesville, Ind., and Win W. Coburn Jr., Dexter, Mo.

Insurance Commissioner Janie Miller claimed in today's court filing that the defendants are marketing health insurance in Kentucky without the required licenses and authorization and without a sound financial basis.

Miller credited insurance agents for tipping off state regulators about questionable marketing practices in which TRG began promoting plans to agents as a type of self-funded insurance plan that employers could offer to employees at greatly discounted premiums, with benefits resembling standard health insurance and a provider network.

"These agents had concerns that consumers were being misled and that sales and marketing practices were forbidden by law," Miller said.

A preliminary investigation by the state insurance department found the company has not registered with the U.S. Department of Labor and does not meet conditions for transacting insurance business, Miller said. The company has failed to provide details of its finances and how it would meet obligations for paying claims.

The company maintains that it is outside of licensing and other regulatory laws set by federal and state agencies.

What does this mean to TRG policyholders? People who have a policy with this company do not have health insurance. TRG was not marketing a recognized health plan, meaning consumers could sacrifice important rights to health coverage in the case of pre-existing medical conditions. They also might have to pay their own medical bills if TRG failed to meet its financial obligations.

These policyholders should immediately seek other health coverage. Consumers with questions may call the Department of Insurance toll free 1-800-595-6053 and ask for the Consumer Protection & Education Division. Information about options is detailed in a publication, ***HMOs and Insurers Authorized to Write Health Benefit Plans in Kentucky***, available online at the department Web site

Kentucky is sharing information and working with other states reporting similar concerns with TRG.